

## Message Text

UNCLASSIFIED

PAGE 01 TOKYO 01580 01 OF 02 050335Z

15

ACTION PER-05

INFO OCT-01 EA-11 ISO-00 CIAE-00 INR-10 NSAE-00 EB-11

AID-20 MMS-03 SS-20 NSC-10 SPC-03 AGR-20 COME-00

SIL-01 LAB-06 TAR-02 TRSE-00 OMB-01 STR-08 ABF-01

SAM-01 FEA-02 FAA-00 XMB-07 L-03 /146 W

----- 062601

R 050250Z FEB 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9766

UNCLAS SECTION 1 OF 2 TOKYO 1580

E.O. 11652: N/A

TAGS: APER, BEX, JA

SUBJECT: STRENGTHENING BUSINESS SERVICES AND TRADE PROMOTION

REF: STATE A-10322, DECEMBER 18, 1973

SUMMARY: THE EMBASSY HAS READ WITH GREAT CARE THE AIRGRAM UNDER REFERENCE AND IT APPRECIATES THE OPPORTUNITY TO COMMENT ON THE OMB RECOMMENDATIONS CALLING FOR AN EXAMINATION OF THE ORGANIZATION OF ECONOMIC/COMMERCIAL SECTIONS. THE EMBASSY FULLY CONCURS IN THE DESIRABILITY OF INTEGRATING THE ECONOMIC AND COMMERCIAL ACTIVITIES. CERTAIN ACTIONS, AS OUTLINED BELOW, HAVE ALREADY BEEN TAKEN AND OTHERS ARE PLANNED FOR THE NEAR FUTURE. END SUMMARY.

1. IN RESPONDING TO THE DEPARTMENT'S REQUEST THAT WE REVIEW THE RECOMMENDATIONS AND MAKE PROPOSALS AS TO HOW THESE RECOMMENDATIONS SHOULD BE CARRIED OUT, WE HAVE DEALT WITH THE RECOMMENDATIONS COLLECTIVELY RATHER THAN INDIVIDUALLY AND HAVE DESCRIBED (A) STEPS THE EMBASSY HAS ALREADY TAKEN IN EFFECTING THE FURTHER INTEGRATION OF ECONOMIC AND COMMERCIAL FUNCTIONS AND (B) A FURTHER REORGANIZATION WE INTEND TO MAKE IN THE NEXT FEW MONTHS.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TOKYO 01580 01 OF 02 050335Z

2. AS PRESENTLY ORGANIZED, THE EMBASSY HAS A MINISTER FOR

ECONOMIC AND COMMERCIAL AFFAIRS WHO SUPERVISES NOT ONLY THE TRADITIONAL ECONOMIC AND COMMERCIAL FUNCTIONS OF THE EMBASSY, BUT A NUMBER OF RELATED BUT INDEPENDENT AGENCY REPRESENTATIVES WITHIN THE US MISSION. FOR EXAMPLE, HE HAS BROAD SUPERVISORY RESPONSIBILITIES OVER THE AGRICULTURE ATTACHE OFFICE, THE CUSTOMS ATTACHE OFFICE, US TRAVEL SERVICE, FAA, FINANCIAL ATTACHE, MARAD, ETC.

3. IN THE AREA OF DIRECT CONCERN, THE ECONCOM/MIN HAS UNDER HIM TWO COUNSELORS, ONE SUPERVISING THE ECONOMIC SECTION AND ANOTHER SUPERVISING COMMERCIAL ACTIVITIES.

4. THE ECONOMIC COUNSELOR HAS UNDER HIM A FIRST SECRETARY HANDLING BILATERAL US-JAPAN ECONOMIC RELATED PROBLEMS, SOME GENERAL ECONOMIC REPORTING FUNCTIONS, AND SOME THIRD COUNTRY RESPONSIBILITY. HE HAS THREE SECOND SECRETARY ECONOMIC-COMMERCIAL OFFICERS, ONE WORKING ON ENERGY, ONE WORKING ON THIRD COUNTRY AND AID MATTERS, AND THE THIRD ON MULTILATERAL AND TRANSPORTATION MATTERS. IN ADDITION, THE COUNSELOR HAS GENERAL SUPERVISION OVER THE REGIONAL FISHERY ATTACHE.

5. THE COMMERCIAL COUNSELOR HAS UNDER HIM A COMMERCIAL ATTACHE WHO HANDLES SUPERVISION OF THE COMMERCIAL SECTION AND SOME FUNCTIONS SUCH AS EXIMBANK. UNDER HIM ARE FOUR COMMERCIAL OFFICERS DIVIDED ALONG COMMODITY LINES (CONSUMER GOODS, RAW MATERIALS, INVESTMENT AND SOME COMMODITIES UNDER A THIRD AND GENERAL INDUSTRIAL EQUIPMENT UNDER A FOURTH). IN ADDITION, THE DIRECTOR OF THE US TRADE CENTER REPORTS TO THE COMMERCIAL COUNSELOR AS WELL.

6. THE MAIN THRUST OF THE OMB RECOMMENDATIONS, AND IN FACT OF EARLIER EFFORTS BY THE EMBASSY, IS TO REMOVE QTE TRADITIONAL DISTINCTIONS UNQTE BETWEEN ECONOMIC AND COMMERCIAL WORK, THE FORMER BEING DEFINED AS POLICY"REPRESENTATION/REPORTING AND THE LATTER AS TRADE PROMOTION/ INVESTMENT/BUSINESS COMMUNITY LIAISON. THAT SORT OF A DISTINCTIIN DOES NOT EXIST IN TOKYO. OVER THE PAST TWO YEARS THE EMBASSY HAS TAKEN A NUMBER OF STEPS, AIMED AT A MORE EFFICIENT USE OF THE EMBASSY'S RESOURCES, WHICH UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 01580 01 OF 02 050335Z

HAVE RESULTED IN A REASONABLY INTEGRATED ECONOMIC/ COMMERCIAL OPERATION.

7. IT IS BY NO MEANS THE CASE THAT OFFICERS IN THE ECONOMIC SECTION DEAL SOLELY WITH GOVERNMENT OFFICIALS, WHILE OFFICERS IN THE COMMERCIAL SECTION DEAL WITH THE BUSINESS COMMUNITY. IN FACT, THERE IS A CONSIDERABLE DEGREE OF QTE VERTICAL INTEGRATION UNQTE OF FUNCTION.

A FEW EXAMPLES ULLUSTRATE THIS FACT. THE OFFICER IN THE COMMERCIAL SECTION RESPONSIBLE FOR RAW MATERIALS IS RESPONSIBLE NOT ONLY FOR THE DRAFTING OF CERP REPORTS ON THE JAPANESE LUMBER INDUSTRY AND PROVIDING ASSISTANCE TO JAPANESE IMPORTERS AND US EXPORTERS OF LOGS AND LUMBER, BUT HE ALSO DEALS WITH POLICY ASPECTS OF US EXPORTS OF LOGS AND LUMBER. THE LATTER FUNCTION HAS INCLUDED EXPLAINING US POLICIES ON LOG EXPORTS TO JAPANESE OFFICIALS, MAKING REPRESENTATIONS ON THE VOLUME OF JAPANESE IMPORTS AND BRIEFING AND ACCOMPANYING US CONGRESSIONAL LEADERS ON CALLS TO BOTH PUBLIC AND PRIVATE SECTORS FOR

DISCUSSION OF THE ISSUE. OFFICERS IN THE COMMERCIAL SECTION HAVE NOT SHOESMITH

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 TOKYO 01580 02 OF 02 050345Z

15

ACTION PER-05

INFO OCT-01 EA-11 ISO-00 CIAE-00 INR-10 NSAE-00 EB-11

AID-20 MMS-03 SS-20 NSC-10 SPC-03 AGR-20 COME-00

SIL-01 LAB-06 TAR-02 TRSE-00 OMB-01 STR-08 ABF-01

SAM-01 FEA-02 FAA-00 XMB-07 L-03 /146 W

----- 062690

R 050250Z FEB 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9767

UNCLAS SECTION 2 OF 2 TOKYO 1580

ONLY ASSISTED POTENTIAL AND ACTUAL US INVESTORS IN JAPAN BUT HAVE ALSO REPORTED ON AND MADE RERESENTATIONS ON JAPANESE CAPITAL INVESTMENT REGULATIONS AND POLICIES. ON THE ECONOMIC SECTION SIDE, THE OFFICER RESPONSIBLE FOR TRANSPORTATION HAS NOT ONLY HANDLED SHIPPING AND AVAIATION POLICY ISSUES BUT HAS ALSO ASSISTED US AIRCRAFT MANUFACTURERS IN THEIR TRADE PROMOTION EFFORTS. THE OFFICER RESPONSIBLE FOR US-JAPAN BILATERAL TRADE MATTERSHAS REPORTED IN DEPTH ON CERTAIN INDUSTRIAL SECTIONS FOR THE JAPANESE ECONOMY, HAS DIRECTLY ASSISTED US FIRMS WISHING TO EXPAND SALES IN JAPAN OF ITEMS FALLING UNDER IMPORT QUOTA

RESTRAINTS, AND MADE REPRESENTATIONS TO THE JAPANESE GOVERNMENT ON BEHALF OF US TILE MANUFACTURERS. THE OFFICER RESPONSIBLE FOR ENERGY AFFAIRS HAS DEVOTED A SIGNIFICANT AMOUNT OF TIME TO ASSURING THAT US FIRMS ARE INFORMED AND PREPARED TO PARTICIPATE IN JOINT DEVELOPMENT OF NEW OIL, GAS AND COAL PRODUCING AREAS.

8. ONE MAJOR OBSTACLE TO A FURTHER INTEGRATION OF FUNCTION BETWEEN THE ECONOMIC AND COMMERCIAL SECTIONS HAS BEEN THE PHYSICAL SEPARATION BETWEEN THE TWO SECTIONS. THE ECONOMIC SECTION IS LOCATED IN THE RELATIVELY SMALL CHANCERY, WHILE THE COMMERCIAL SECTION (INCLUDING THE TRADE CENTER) IS LOCATED IN A SEPARATE BUILDING ABOUT FIVE

UNCLASSIFIED

PAGE 02 TOKYO 01580 02 OF 02 050345Z

MINUTES AWAY. THIS HAS PUT CERTAIN LIMITATIONS ON THE COORDINATION BETWEEN THE TWO SECTIONS AND THE TRANSFER BACK AND FORTH OF FUNCTIONS. IT HAS ALSO SERVED TO IDENTIFY THE COMMERCIAL SECTION TO THE LOCAL BUSINESS COMMUNITY AS THE MAIN POINT OF CONTACT WITH THE EMBASSY.

9. THIS SITUATION WILL SOON CHANGE. THE TEMPORARY BUILDING WHICH WILL HOUSE OCCUPANTS OF THE PRESENT CHANCERY WHILE THE NEW CHANCERY IS UNDER CONSTRUCTION IS SCHEDULED FOR COMPLETION IN APRIL. THIS TEMPORARY BUILDING WILL PROVIDE FACILITIES FOR BOTH THE ECONOMIC SECTION AND THE COMMERCIAL SECTION (BUT NOT THE TRADE CENTER). SIMILARLY, WHEN THE NEW CHANCERY IS COMPLETED (NOW SCHEDULED FOR EARLY 1976), THE TWO SECTIONS WILL REMAIN TOGETHER.

10. THE KEY, THEN, TO A FURTHER INTEGRATION OF FUNCTION IS THE PHYSICAL AMALGAMATION OF THE TWO SECTIONS. WHEN THAT TAKES PLACE, THE EMBASSY PLANS TO MAKE A MORE COMPLETE REORGANIZATION OF THE ECONOMIC AND COMMERCIAL FUNCTIONS BY MAKING A SIMILAR AMALGAMATION OF THE SEPARATE ECONOMIC AND COMMERCIAL SECTIONS INTO A SINGLE ECONOMIC/COMMERCIAL SECTION. SINCE SUPERVISION OF THE NEW COMBINED UNIT, COMPRISING TWO FIRST SECRETARIES, SEVEN SECOND SECRETARIES, A REGIONAL FISHERY ATTACHE AND THE TRADE CENTER, WOULD OBVIOUSLY BE TOO MUCH FOR ONE COUNSELOR, WE INTEND TO MAINTAIN SUPERVISION BY TWO COUNSELORS, BOTH OF WHOM WOULD THEN BECOME COUNSELORS FOR ECONOMIC AND COMMERCIAL AFFAIRS. AT THAT TIME WE WOULD ALSO RECOMMEND THAT ALL OFFICERS IN THE SECTION BE DESIGNATED AS ECONOMIC/COMMERCIAL OFFICERS, THUS ELIMINATING THE DESIGNATION OF COMMERCIAL OFFICERS MADE IN STATE'S A-145, JANUARY 5, 1973. ALONG THE SAME LINES, COMMERCIAL ATTACHE WOULD BECOME FIRST SECRETARY; THUS THE TWO FIRST SECRETARIES WOULD SHARE IN THE SUPERVISORY FUNCTIONS. FINALLY, A KEY ELEMENT OF THE AMALGAMATION OF THE TWO

SECTIONS WOULD BE A REORDERING OF THE FUNCTIONS PERFORMED  
BY THE ECONOMIC/COMMERCIAL OFFICERS SO THAT TO THE  
FULLEST EXTENT POSSIBLE ALL OFFICERS WOULD PARTICIPATE IN  
EXPORT PROMOTION AND COMMERCIAL SERVICE ACTIVITIES, E.G.  
THE OFFICER RESPONSIBLE FOR TRANSPORTATION AFFAIRS WILL  
HANDLE ALL MATTERS IN THIS CATEGORY FROM REPRESENTATIONS  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TOKYO 01580 02 OF 02 050345Z

TO GOJ TO KEY MAN CALLS FOR RELATED TRADE SHOWS; THE  
ENERGY OFFICER OR UNIT IF THE WORKLOAD REMAINS EXCESSIVE  
FOR ONE OFFICER) WILL LIKEWISE HANDLE COMMODITY RESPONSI-  
BILITIES FROM MATERIALS TO EQUIPMENT RELATED TO THIS FIELDM  
TO THE DEGREE POSSIBLE, ALL OFFICERS WILL BE GIVEN COM-  
MODITY RESPONSIBILITIES WHICH ENTAIL REPORTING,  
REPRESENTATION, EXPORT PROMOTION AND COMMERCIAL SERVICE  
IN THE PERTINENT PRODUCT LINES. SOME FUNCTIONAL  
RESPONSIBILITIES (E.G. JAPAN-THIRD COUNTRY ECONOMIC  
AFFAIRS, INVESTMENT, ETC.) CANNOT BE DIVIDED ALONG  
COMMODITY LINES AND THESE ALSO WILL BE ASSIGNED TO  
SPECIFIC ACTION OFFICERS.  
SHOESMITH

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 FEB 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TOKYO001580  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** TOKYO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740254/aaaabyhx.tel  
**Line Count:** 248  
**Locator:** TEXT ON-LINE  
**Office:** ACTION PER  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE A-10322, DECEMBER 18, 1973  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** kelleyw0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 FEB 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 FEB 2002 by elbezefj>; APPROVED <26 NOV 2002 by kelleyw0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** STRENGTHENING BUSINESS SERVICES AND TRADE PROMOTION  
**TAGS:** APER, BEXP, JA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005